

## Joint Select Committee on Property Reappraisal

### Decision Points for Options Committee is Considering

This document is intended to provide mapping for the committee of each decision point that would be required to request a bill draft that would lead to the codification of a specific option to mitigate the impacts of property reappraisal for consideration by the legislature.

The Department has based the following on the committee discussions and information requests that have occurred over the past several weeks in an attempt to list mitigation options that the committee appears to be considering and/or asked the department staff to illustrate.

### Definition of "revenue neutrality" due to reappraisal:

#### Tax Rates, Exemptions, and Phase-In Mitigation Model Option:

- Should values be phased in over time –
  - Yes\_\_\_ or No\_\_\_ ... If Yes, length in years = \_\_\_\_\_
- Class Three Agricultural Land –
  - Tax rate = \_\_\_\_\_ (Current Rate – 3.01%)
- Class Four Residential & Commercial –
  - Tax rate = \_\_\_\_\_ (Current Rate – 3.01%)
  - Homestead exemption rate = \_\_\_\_\_ %
  - Comstead exemption rate = \_\_\_\_\_ %
- Class Ten Forest Land –
  - Tax rate = \_\_\_\_\_ (Current Rate - .35%)

#### Circuit Breaker Mitigation Model Options:

- Is this to be a "general" circuit breaker or only targeted to specific populations (e.g. elderly, low income) = \_\_\_\_\_
- How much total \$-relief to provide through the circuit breaker = \$ \_\_\_\_\_
- What is the maximum percent of income the property tax bill can be = \_\_\_\_\_ % ... What is the source data for income (e.g. AGI) = \_\_\_\_\_
- What is the maximum dollar amount of each individual credit = \$ \_\_\_\_\_
- At what income level is there a phase-out of the credit = \$ \_\_\_\_\_
- At what income level is the credit totally phased-out = \$ \_\_\_\_\_

#### Additional Mitigation Ideas for Consideration:

##### 1. Decouple class rates –

- Are tax rates set independently for all reappraised classes or coupled with residential rate = \_\_\_\_\_
- Are there separate tax rates for residential property and commercial property? Yes \_\_\_\_\_ No \_\_\_\_\_

## 2. Staggered homestead exemption levels –

- At what market value levels would the exemption rate(s) change = \$ \_\_\_\_\_
- What would be the exemption rate at each of those levels = \_\_\_\_\_ %
- At what market value level would the exemption rate be capped so that there is no exemption for values above that cap = \$ \_\_\_\_\_

## 3. Fixed dollar exemptions –

- What fixed dollar exemption amount would be provided to all residential property \$ \_\_\_\_\_; and/or all commercial property \$ \_\_\_\_\_; or
- At what percent of market value would exemption be set = \_\_\_\_\_ %
  - At what market value would the exemption be capped = \$ \_\_\_\_\_

## 4. PTAP/EPTAP/2EC –

- Should each of these be maintained = \_\_\_\_\_
- Should any of the variables be updated as follows:
  - Percent of income level = \_\_\_\_\_ %
  - Maximum dollar amount of credit = \$ \_\_\_\_\_
  - Phase-out at any income level = \$ \_\_\_\_\_

## 5. Primary Residence and Idle Residence–

- How are a primary residence and idle residence to be defined = \_\_\_\_\_
- What is the different exemption treatment for the Idle Residence = \_\_\_\_\_

## Other Issues for Consideration:

- Should the next reappraisal cycle length be changed (currently six years)
  - No \_\_\_\_\_
  - Yes \_\_\_\_\_
    - Four Years \_\_\_\_\_
    - Three Years \_\_\_\_\_
    - Two Years \_\_\_\_\_